



# Iowa Department of Human Services

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## INFORMATIONAL LETTER NO.1591-MC

**DATE:** December 15, 2015

**TO:** All Iowa Medicaid Providers

**FROM:** Iowa Department of Human Services (DHS), Iowa Medicaid Enterprise (IME)

**RE:** Prior Authorizations (PA) for Providers Participating with Managed Care Organizations (MCOs)

**EFFECTIVE:** January 1, 2016

We want Iowa Medicaid providers to have the tools they need to continue seeing Medicaid patients as we transition to the IA Health Link program.

As announced last week in [Informational Letter 1589-MC](#)<sup>1</sup>, the state has extended the Safe Harbor so that any Medicaid-enrolled provider can be reimbursed by the MCOs at 100 percent of the established rate floor for services delivered through March 31, 2016; the first 90 days of the program, regardless of whether the member's provider is in-network or out-of-network with the MCO.

We are also streamlining the PA process during the Safe Harbor period. PAs are used by the IME to ensure program integrity by requiring that all services are medically necessary. The MCOs will honor existing IME PAs for 90 days.

### For New or Renewal of Services during the Safe Harbor Period:

- Providers should continue to seek PA under the MCOs' policies to ensure timely and appropriate reimbursement.
- All claims will be processed by the MCOs whether or not the provider has sought a PA.
- All claims submitted without a PA will be subject to retrospective review by the MCOs to determine if services were medically necessary.
- The medically necessary definition remains the same at it is today per state and federal requirements.
- Just like today, if a claim is determined not to be medically necessary, payment may be recovered.
- Beginning April 1, 2016, all Medicaid providers whether in-network or out-of-network must follow the MCOs' PA requirements included in the health plans' Provider Manuals.

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<sup>1</sup> [https://dhs.iowa.gov/sites/default/files/1589-MC\\_ReimbursementRatesforProvidersParticipatingwithManagedCareOrganizations.pdf](https://dhs.iowa.gov/sites/default/files/1589-MC_ReimbursementRatesforProvidersParticipatingwithManagedCareOrganizations.pdf)

- [MCO Provider Manuals](#)<sup>2</sup> are available on the DHS website.
- Providers may contract with as many of the four selected MCOs as they wish and are encouraged to complete the contracting process as early as possible for full participation.

### **Impact on Long Term Services and Supports:**

Typically, long term care services do not require PA. Instead, these services are established based on level of care (LOC) determinations and, for those on Home and Community Based Services (HCBS) waivers, service plan determinations.

- LOC and service plans will be reviewed and updated during the Safe Harbor period following the regular renewal schedule. Services provided consistent with those plans will be paid at 100 percent of the established rate floor through March 31, 2016, whether or not the provider is in the member's network.
- Effective January 1, 2016, all Individual Consumer Directed Attendant Care (CDAC) providers enrolled with Iowa Medicaid will be considered enrolled and contracted with the participating MCOs. They will be paid at 100 percent of the established rate floor. Claims must be submitted directly to the appropriate MCO, adhering to the MCO's claims submission and timeliness guidelines. Services will continue to require approval through the member's case management agency and/or the MCO's community case manager.
- Services may only be modified through an updated assessment. Assessments may only be updated if the member's needs have changed or at annual review.

If you have any questions please contact the IME Provider Services Unit at 1-800-338-7909, or email at [IMEproviderservices@dhs.state.ia.us](mailto:IMEproviderservices@dhs.state.ia.us)

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<sup>2</sup> <http://dhs.iowa.gov/ime/about/initiatives/MedicaidModernization/MCO-materials>